



ANNUAL STATEMENT  
For the Year Ending December 31, 2008  
OF THE CONDITION AND AFFAIRS OF THE  
DC CHARTERED HEALTH PLAN, INC.

NAIC Group Code	0000 (Current Period)	,	0000 (Prior Period)	NAIC Company Code	95748	Employer's ID Number	52-1492499
Organized under the Laws of	District of Columbia			State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America						
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]		
Incorporated/Organized	09/12/1986			Commenced Business	09/12/1986		
Statutory Home Office	1025 15TH STREET NW (Street and Number)			WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)			
Main Administrative Office				1025 15TH STREET NW (Street and Number)			
	WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)			(202)408-4720 (Area Code) (Telephone Number)			
Mail Address	1025 15TH STREET NW (Street and Number or P.O. Box)			WASHINGTON, DC 2005-2601 (City or Town, State and Zip Code)			
Primary Location of Books and Records				1025 15TH STREET NW (Street and Number)			
	WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)			(202)408-3973 (Area Code) (Telephone Number)			
Internet Website Address	www.chartered-health.com						
Statutory Statement Contact	GABRIEL JOSEPH HANNA (Name)			(202)408-3973 (Area Code)(Telephone Number)(Extension)			
	ghanna@chartered-health.com (E-Mail Address)			(202)289-6642 (Fax Number)			

OFFICERS

Name	Title
JEFFREY EARL THOMPSON	Chairman
KAREN MARGARET DALE	President & CEO
GABRIEL JOSEPH HANNA	Chief Financial Officer

VICE PRESIDENT

ROBERT EDWARD WATKINS, COO  
LESLIE LYLES SMITH, SVP, HEALTH PLAN SRVS

LAVDENA ADAMS ORR MD, CMO

DIRECTORS OR TRUSTEES

JEFFEREY EARL THOMPSON  
MYRTLE ROSALIND GOMEZ  
WILLIAM JEFFREY STRUDWICK

JOHNNIE BROOKS BOOKER  
NICHOLAS GEORGE KAREMBALAS

State of District of Columbia  
County of ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) KAREM MARGARET DALE	(Signature)	(Signature) GABRIEL JOSEPH HANNA
(Printed Name) 1. President and CEO	(Printed Name) 2. Secretary	(Printed Name) 3. Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this day of , 2009	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[ ]   
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(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....				9,142,172
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....				
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....33,559,749 Schedule E Part 1), cash equivalents (\$.....728,156 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA) .....	34,287,905		34,287,905	24,760,724
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Other invested assets (Schedule BA) .....				
8.	Receivables for securities .....				
9.	Aggregate write-ins for invested assets .....				
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....	34,287,905		34,287,905	33,902,896
11.	Title plants less \$.....0 charged off (for Title insurers only) .....				
12.	Investment income due and accrued .....	58,363		58,363	583,203
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection .....	8,375,721		8,375,721	7,616,723
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
13.3	Accrued retrospective premiums .....				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers .....	277,414		277,414	
14.2	Funds held by or deposited with reinsured companies .....				
14.3	Other amounts receivable under reinsurance contracts .....				
15.	Amounts receivable relating to uninsured plans .....				241,012
16.1	Current federal and foreign income tax recoverable and interest thereon .....				
16.2	Net deferred tax asset .....	2,063,593	1,158,778	904,815	860,051
17.	Guaranty funds receivable or on deposit .....				
18.	Electronic data processing equipment and software .....	674,483	513,721	160,762	140,046
19.	Furniture and equipment, including health care delivery assets (\$.....0) .....	152,825	152,825		
20.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
21.	Receivables from parent, subsidiaries and affiliates .....	1,233,621	889,078	344,543	1,161,534
22.	Health care (\$.....0) and other amounts receivable .....	353,916	353,916		
23.	Aggregate write-ins for other than invested assets .....	4,813,568	4,813,568		0
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	52,291,408	7,881,885	44,409,523	44,505,463
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26.	Total (Lines 24 and 25) .....	52,291,408	7,881,885	44,409,523	44,505,463
DETAILS OF WRITE-INS					
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301.	DEPOSITS .....	148,800	148,800		
2302.	PREPAID EXPENSES .....	1,391,333	1,391,333		
2303.	GOODWILL .....	1,460,583	1,460,583		0
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	1,812,852	1,812,852		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	4,813,568	4,813,568		0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	21,254,321		21,254,321	20,181,467
2.	Accrued medical incentive pool and bonus amounts .....				
3.	Unpaid claims adjustment expenses .....	637,630		637,630	636,219
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....				
9.	General expenses due or accrued .....	1,665,406		1,665,406	1,555,627
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....	46,050		46,050	67,903
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....				
16.	Payable for securities .....				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
18.	Reinsurance in unauthorized companies .....				
19.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
20.	Liability for amounts held under uninsured plans .....	688,039		688,039	
21.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	393,716		393,716	444,486
22.	Total liabilities (Lines 1 to 21) .....	24,685,162		24,685,162	22,885,701
23.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
24.	Common capital stock .....	X X X	X X X	100	100
25.	Preferred capital stock .....	X X X	X X X		
26.	Gross paid in and contributed surplus .....	X X X	X X X	4,690,419	4,690,419
27.	Surplus notes .....	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29.	Unassigned funds (surplus) .....	X X X	X X X	15,033,842	16,929,243
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0) .....	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30) .....	X X X	X X X	19,724,361	21,619,762
32.	Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	44,409,522	44,505,463
DETAILS OF WRITE-INS					
2101.	UNCLAIMED CHECKS .....	393,716		393,716	444,486
2102.	.....				
2103.	.....				
2198.	Summary of remaining write-ins for Line 21 from overflow page .....				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....	393,716		393,716	444,486
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	846,705	743,648
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	180,992,061	165,103,707
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....		
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	Total revenues (Lines 2 to 7) .....	X X X .....	180,992,061	165,103,707
Hospital and Medical:				
9.	Hospital/medical benefits .....		64,389,391	66,860,277
10.	Other professional services .....		51,408,350	42,875,582
11.	Outside referrals .....			
12.	Emergency room and out-of-area .....		21,154,939	15,328,717
13.	Prescription drugs .....		14,040,427	10,663,530
14.	Aggregate write-ins for other hospital and medical .....		1,338,210	1,011,050
15.	Incentive pool, withhold adjustments and bonus amounts .....			
16.	Subtotal (Lines 9 to 15) .....		152,331,317	136,739,155
Less:				
17.	Net reinsurance recoveries .....		563,766	836,616
18.	Total hospital and medical (Lines 16 minus 17) .....		151,767,551	135,902,539
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....3,495,564 cost containment expenses .....		4,729,811	5,016,191
21.	General administrative expenses .....		19,269,063	18,170,487
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	Total underwriting deductions (Lines 18 through 22) .....		175,766,425	159,089,218
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	5,225,636	6,014,489
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		1,330,369	2,153,488
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27.	Net investment gains (losses) (Lines 25 plus 26) .....		1,330,369	2,153,488
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....			176,672
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	6,556,005	8,344,649
31.	Federal and foreign income taxes incurred .....	X X X .....	2,362,909	2,880,411
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	4,193,095	5,464,239
DETAILS OF WRITE-INS				
0601.	.....	X X X .....		
0602.	.....	X X X .....		
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....		
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	OTHER MEDICAL CLAIMS - DME .....		1,338,210	1,011,050
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		1,338,210	1,011,050
2901.	ADMIN SERVICE FEE FOR AFFILIATED COMPANIES .....			176,672
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			176,672

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	21,619,762	20,226,717
34.	Net income or (loss) from Line 32 .....	4,193,095	5,464,239
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....		
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	141,900	577,227
39.	Change in nonadmitted assets .....	(3,044,551)	(517,529)
40.	Change in unauthorized reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....	0	0
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....	(2,100,000)	(4,022,671)
47.	Aggregate write-ins for gains or (losses) in surplus .....	(1,085,845)	(108,221)
48.	Net change in capital and surplus (Lines 34 to 47) .....	(1,895,401)	1,393,045
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	19,724,361	21,619,762
DETAILS OF WRITE-INS			
4701.	CORRECTION OF PRIOR PERIOD ACCOUNTING ERROR .....	(1,085,845)	(108,221)
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(1,085,845)	(108,221)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	180,233,063	165,918,527
2.	Net investment income .....	1,855,208	2,053,947
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	182,088,271	167,972,474
5.	Benefit and loss related payments .....	150,972,111	135,416,315
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	22,424,642	24,323,458
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	2,362,909	2,880,411
10.	Total (Lines 5 through 9) .....	175,759,663	162,620,183
11.	Net cash from operations (Line 4 minus 10) .....	6,328,608	5,352,291
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	9,142,172	5,193,218
12.2	Stocks .....		21,987,089
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	9,142,172	27,180,307
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		498,819
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....		498,819
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	9,142,172	26,681,488
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	0	0
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	2,100,000	4,022,671
16.6	Other cash provided (applied) .....	(3,843,598)	(603,804)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(5,943,598)	(4,626,475)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	9,527,182	27,407,303
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	24,760,724	(2,646,580)
19.2	End of year (Line 18 plus Line 19.1) .....	34,287,905	24,760,724

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	180,992,061	51,042,582						129,949,479		
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.0 medical expenses) .....										X X X
4.	Risk revenue .....										X X X
5.	Aggregate write-ins for other health care related revenues .....										X X X
6.	Aggregate write-ins for other non-health care related revenues .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	Total revenues (Lines 1 to 6) .....	180,992,061	51,042,582						129,949,479		
8.	Hospital/medical benefits .....	64,389,391	16,732,550						47,656,842		X X X
9.	Other professional services .....	51,408,350	15,590,965						35,817,384		X X X
10.	Outside referrals .....										X X X
11.	Emergency room and out-of-area .....	21,154,939	4,458,409						16,696,530		X X X
12.	Prescription drugs .....	14,040,427	296,911						13,743,516		X X X
13.	Aggregate write-ins for other hospital and medical .....	1,338,210	634,808						703,402		X X X
14.	Incentive pool, withhold adjustments and bonus amounts .....										X X X
15.	Subtotal (Lines 8 to 14) .....	152,331,317	37,713,643						114,617,675		X X X
16.	Net reinsurance recoveries .....	563,766							563,766		X X X
17.	Total hospital and medical (Lines 15 minus 16) .....	151,767,551	37,713,643						114,053,909		X X X
18.	Non-health claims (net) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.3,495,564 cost containment expenses .....	4,729,811	1,429,046						3,300,765		
20.	General administrative expenses .....	19,269,063	5,821,876						13,447,187		
21.	Increase in reserves for accident and health contracts .....										X X X
22.	Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	Total underwriting deductions (Lines 17 to 22) .....	175,766,425	44,964,565						130,801,861		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	5,225,636	6,078,017						(852,381)		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	OTHER MEDICAL CLAIMS - DME .....	1,338,210	634,808						703,402		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	1,338,210	634,808						703,402		X X X

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	51,234,168		191,586	51,042,582
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....				
6.	Title XVIII - Medicare .....				
7.	Title XIX - Medicaid .....	130,803,455		853,976	129,949,479
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	182,037,623		1,045,562	180,992,061
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	182,037,623		1,045,562	180,992,061



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	151,648,060	39,426,166						112,221,894		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	953,366							953,366		
1.4 Net .....	150,694,694	39,426,166						111,268,528		
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	21,254,320	4,908,161						16,346,159		
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	21,254,320	4,908,161						16,346,159		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....										
7. Amounts recoverable from reinsurers December 31, current year .....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	20,571,067	6,620,687						13,950,379		
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....	389,600							389,600		
8.4 Net .....	20,181,467	6,620,687						13,560,779		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred benefits:										
12.1 Direct .....	152,331,313	37,713,640						114,617,674		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	563,766							563,766		
12.4 Net .....	151,767,547	37,713,640						114,053,908		
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	6,414,299	392,178						6,022,121		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	6,414,299	392,178						6,022,121		
2. Incurred but Unreported:										
2.1 Direct .....	14,840,021	4,515,983						10,324,038		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	14,840,021	4,515,983						10,324,038		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	21,254,320	4,908,161						16,346,159		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	21,254,320	4,908,161						16,346,159		

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	5,257,542	34,168,624	3,178	4,904,983	5,260,720	6,620,687
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	10,310,270	100,958,258	22,845	16,323,315	10,333,115	13,560,780
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	15,567,812	135,126,882	26,023	21,228,298	15,593,835	20,181,467
10.	Healthcare receivables (a) .....						
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....						
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	15,567,812	135,126,882	26,023	21,228,298	15,593,835	20,181,467

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	9,922	10,361	10,361	10,361	10,361
2.	2004 .....	59,685	70,463	70,844	70,844	70,844
3.	2005 .....	X X X	67,943	79,253	79,295	79,295
4.	2006 .....	X X X	X X X	90,217	107,250	107,021
5.	2007 .....	X X X	X X X	X X X	118,169	133,967
6.	2008 .....	X X X	X X X	X X X	X X X	135,127

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	4,498	4,936	10,361	10,361	10,361
2.	2004 .....	72,352	70,780	70,844	70,844	70,844
3.	2005 .....	X X X	80,901	79,708	79,295	79,295
4.	2006 .....	X X X	X X X	109,457	107,301	107,021
5.	2007 .....	X X X	X X X	X X X	138,300	133,993
6.	2008 .....	X X X	X X X	X X X	X X X	156,355

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	89,326	70,844	2,366	3.340	73,210	81.959			73,210	81.959
2.	2005 .....	98,681	79,295	3,561	4.491	82,856	83.963			82,856	83.963
3.	2006 .....	131,198	107,021	3,858	3.605	110,878	84.512			110,878	84.512
4.	2007 .....	165,104	133,967	4,776	3.565	138,743	84.034	26	64	138,833	84.088
5.	2008 .....	180,992	135,127	4,255	3.149	139,382	77.010	21,228	574	161,184	89.056

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	9	9	9	9	9
2.	2004 .....					
3.	2005 .....	X X X				
4.	2006 .....	X X X	X X X	15,373	21,232	20,999
5.	2007 .....	X X X	X X X	X X X	37,068	42,559
6.	2008 .....	X X X	X X X	X X X	X X X	34,169

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	86	86	9	9	9
2.	2004 .....					
3.	2005 .....	X X X				
4.	2006 .....	X X X	X X X	23,422	21,232	20,999
5.	2007 .....	X X X	X X X	X X X	43,689	42,562
6.	2008 .....	X X X	X X X	X X X	X X X	39,074

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....			14		14				14	
2.	2005 .....										
3.	2006 .....	28,506	20,999	1,270	6.048	22,269	78.122			22,269	78.122
4.	2007 .....	59,080	42,559	1,482	3.482	44,041	74.545	3	17	44,061	74.579
5.	2008 .....	51,043	34,169	1,113	3.257	35,282	69.123	4,905	150	40,337	79.026

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . .	NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	9,913	10,352	10,352	10,352	10,352
2.	2004 .....	59,685	70,463	70,844	70,844	70,844
3.	2005 .....	X X X	67,943	79,253	79,295	79,295
4.	2006 .....	X X X	X X X	74,843	86,017	86,021
5.	2007 .....	X X X	X X X	X X X	81,101	91,408
6.	2008 .....	X X X	X X X	X X X	X X X	100,958

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	4,412	4,850	10,352	10,352	10,352
2.	2004 .....	72,352	70,780	70,844	70,844	70,844
3.	2005 .....	X X X	80,901	79,708	79,295	79,295
4.	2006 .....	X X X	X X X	86,034	86,068	86,021
5.	2007 .....	X X X	X X X	X X X	94,611	91,431
6.	2008 .....	X X X	X X X	X X X	X X X	117,281

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2004 .....	89,326	70,844	2,352	3.320	73,196	81.943			73,196	81.943
2.	2005 .....	98,681	79,295	3,561	4.491	82,856	83.963			82,856	83.963
3.	2006 .....	102,692	86,021	2,588	3.008	88,609	86.286			88,609	86.286
4.	2007 .....	106,024	91,408	3,294	3.604	94,702	89.321	23	47	94,772	89.387
5.	2008 .....	129,949	100,958	3,142	3.112	104,100	80.108	16,323	424	120,847	92.995

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other ..... NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....979,084 for occupancy of own building) .....			979,084		979,084
2.	Salaries, wages and other benefits .....	2,583,265	997,078	7,737,898		11,318,241
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			1,156,867		1,156,867
4.	Legal fees and expenses .....					
5.	Certifications and accreditation fees .....					
6.	Auditing, actuarial and other consulting services .....	529,193	111,631	2,400,099		3,040,923
7.	Traveling expenses .....	29,976	(2,736)	49,447		76,687
8.	Marketing and advertising .....	12,618	353	848,337		861,308
9.	Postage, express and telephone .....	3,773	316	299,038		303,127
10.	Printing and office supplies .....	58,483	4,935	438,259		501,676
11.	Occupancy, depreciation and amortization .....			1,888,108		1,888,108
12.	Equipment .....			41,082		41,082
13.	Cost or depreciation of EDP equipment and software .....					
14.	Outsourced services including EDP, claims, and other services .....	34,223		692,819		727,042
15.	Boards, bureaus and association fees .....	8,619	750	75,984		85,353
16.	Insurance, except on real estate .....			395,770		395,770
17.	Collection and bank service charges .....			43,205		43,205
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....					
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....					
23.2	State premium taxes .....					
23.3	Regulator authority licenses and fees .....					
23.4	Payroll taxes .....	198,312	76,997	554,082		829,391
23.5	Other (excluding federal income and real estate taxes) .....	37,103	44,923	1,668,984		1,751,010
24.	Investment expenses not included elsewhere .....				32,503	32,503
25.	Aggregate write-ins for expenses .....					
26.	Total expenses incurred (Lines 1 to 25) .....	3,495,564	1,234,247	19,269,063	32,503	(a) 24,031,377
27.	Less expenses unpaid December 31, current year .....	637,630		1,665,406		2,303,036
28.	Add expenses unpaid December 31, prior year .....	636,219		1,555,627		2,191,846
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	3,494,153	1,234,247	19,159,284	32,503	23,920,187
DETAILS OF WRITE-INS						
2501.	.....					
2502.	.....					
2503.	.....					
2598.	Summary of remaining write-ins for Line 25 from overflow page .....					
2599.	Totals (Lines 2501 through 2503 + 2598) (Line 25 above) .....					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 902,308	318,121
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 130,618	130,618
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 855,765	914,132
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	1,888,691	1,362,871
11.	Investment expenses		(g) 32,503
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		32,503
17.	Net Investment income (Line 10 minus Line 16)		1,330,369
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)					
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties occupied for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Other invested assets (Schedule BA) .....			
8.	Receivables for securities .....			
9.	Aggregate write-ins for invested assets .....			
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....			
11.	Title plants (for Title insurers only) .....			
12.	Invested income due and accrued .....			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection .....			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
13.3	Accrued retrospective premiums .....			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers .....			
14.2	Funds held by or deposited with reinsured companies .....			
14.3	Other amounts receivable under reinsurance contracts .....			
15.	Amounts receivable relating to uninsured plans .....			
16.1	Current federal and foreign income tax recoverable and interest thereon .....			
16.2	Net deferred tax asset .....	1,158,778	1,061,642	(97,136)
17.	Guaranty funds receivable or on deposit .....			
18.	Electronic data processing equipment and software .....	513,721	268,874	(244,847)
19.	Furniture and equipment, including health care delivery assets .....	152,825	115,605	(37,220)
20.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
21.	Receivables from parent, subsidiaries and affiliates .....	889,078	404,567	(484,511)
22.	Health care and other amounts receivable .....	353,916	204,000	(149,916)
23.	Aggregate write-ins for other than invested assets .....	4,813,568	2,782,647	(2,030,920)
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	7,881,885	4,837,335	(3,044,551)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26.	Total (Lines 24 and 25) .....	7,881,885	4,837,335	(3,044,551)
DETAILS OF WRITE-INS				
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page .....			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....			
2301.	DEPOSITS .....	148,800	132,837	(15,964)
2302.	PREPAID EXPENSES .....	1,391,333	638,695	(752,638)
2303.	GOODWILL .....	1,460,583	1,460,583	0
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	1,812,852	550,533	(1,262,319)
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	4,813,568	2,782,647	(2,030,920)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	63,309	63,688	66,280	75,849	80,923	846,705
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	63,309	63,688	66,280	75,849	80,923	846,705
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

# Notes to Financial Statement

## DC Chartered Health Plan, Inc. - Notes to Financial Statement

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial Statements of DC Chartered Health Plan (Chartered) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB). The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia (District) for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the District of Columbia Insurance Code. The DISB has adopted the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* as a component of prescribed or permitted practices for the District. The DISB has the right to permit specific practices that deviate from prescribed practices. There is no deviation from the NAIC *Accounting Practices and Procedures Manual*.

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policies

Chartered writes only Medicaid contracts primarily through a contract with the District of Columbia Department of Health (DOH). Medicaid premiums from the DOH are due monthly and are recognized as revenue during the period in which Chartered is obligated to provide service to members.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments - None
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
- (3) Common Stocks are stated at market.
- (4) Preferred stocks - None.
- (5) Mortgage loans on real estate - None.
- (6) Loan-backed securities - None.
- (7) Investments in subsidiaries, controlled or affiliated investments - None.
- (8) Investments in joint ventures, partnerships and limited liability companies - None
- (9) Derivatives instruments - None.
- (10) Chartered does not carry a premium deficiency reserve and consequently does utilize anticipated investment income as a factor in calculating a premium deficiency reserve.
- (11) Medical and hospital costs are accrued based on claims received but unpaid and an estimate for claims incurred but not yet received (IBNR). These estimates are projected through an actuarial model, which calculates the outstanding liability based on payment trends and membership. Chartered uses actuarially sound methodologies developed by its actuarial consultants, Reden and Anders, to calculate its medical

Notes to Financial Statement

liability. Claims and claims adjustment expenses are expensed as incurred. The Company establishes an unpaid claims liability for claims in the process of review and for claims incurred but not reported. The liability for claims incurred but not reported is actuarially estimated based on the most current historical claims experience, changes in number of members and participants and estimates of health care trend (cost, utilization and intensity of services) changes. Estimates for claims incurred but not reported are continually reviewed and revised as changes in these factors occur and revisions are reflected in the current year's statements of revenue and expenses.

- (12) Chartered has not modified its capitalization policy from the prior period.
- (13) Chartered has pharmaceutical rebate receivables of \$111,000. Chartered has a deposit on file with a pharmacy benefit manager, Caremark, in the amount of \$106,000 which it nonadmits.

2. Accounting Changes and Corrections of Errors

A. Material Changes and Corrections of Errors

The Company recorded several corrections of errors related to adjustments incorrectly reported in prior year's annual statement: These corrections on an aggregate basis reduced the Company's Capital and Surplus by (\$1,085,845).

1. Correction of Company's prior year's federal income tax expense:	\$524,055
2. Correction of Company's prior year's federal deferred income tax:	(\$232,218)
3. Correction of Company's prior year's administrative expense:	(\$1,407,204)
4. Unreconciled adjustments to Capital and Surplus:	\$29,522

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans – None.
- B. Debt Restructuring – None.
- C. Reverse Mortgages – None.
- D. Loan-Backed Securities – None.
- E. Repurchase Agreements – None.
- F. Real Estate – None.
- G. Low Income Housing Tax Credits – None.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. Chartered has no investments in joint ventures, partnerships, or limited liability companies.
- B. Not applicable.

Notes to Financial Statement

7. Investment Income

A. Due and accrued income is excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. No investment income was excluded from the financial statements.

8. Derivative Instruments

None

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	<u>2008</u>	<u>2007</u>
Total of gross deferred tax assets	\$2,063,593	\$1,921,693
Total of gross deferred tax liabilities	\$0	\$0
Net deferred tax asset	\$2,063,593	\$1,921,693
Deferred Tax Asset nonadmitted	(\$1,158,778)	(\$1,061,642)
Net admitted deferred tax asset	\$904,815	\$860,0551
Increase (decrease) in DTAs nonadmitted	\$97,136	(\$176,782)

B. Deferred tax liabilities are not recognized for the following amounts:

None

C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	<u>2008</u>	<u>2007</u>
Federal	\$2,362,911	\$2,880,411
Federal and foreign income tax taxes incurred	\$2,362,911	\$2,880,411

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities for the years ended December 31 are:

	<u>2008</u>	<u>2007</u>
Deferred Tax Asset:		
Accounts receivable principally related to allowance for doubtful accounts	-	\$0
Compensated absences, principally related to accrual for financial reporting purposes	\$67,554	\$82,970
Amortization of membership list	\$74,573	\$85,621
Straight line lease expense	\$96,336	\$87,767
Depreciation	\$1,158,458	\$1,041,675
Nonadmitted Assets	\$666,672	\$623,660
Total deferred tax assets	\$2,063,593	\$1,921,693
Nonadmitted deferred tax asset	(\$1,158,778)	(\$1,061,642)
Admitted deferred tax asset	\$904,815	\$860,051

Notes to Financial Statement

Deferred tax liabilities:	\$0	\$0
Net admitted deferred tax asset	\$904,815	\$860,051

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-Admitted Asset is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement).

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Total deferred tax assets	2,063,593	\$1,921,693	\$141,900
Total deferred tax liabilities	\$0	\$0	\$0
Net deferred tax asset (liability)	\$2,063,593	\$1,921,693	\$141,900
Tax effect of unrealized gains (losses)			\$0
Change in net deferred income tax			\$141,900

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<u>2008</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$2,498,323	35%
State income taxes, net of federal benefit	(\$486,231)	
Other	\$208,919	
Total	\$2,221,011	
Federal and foreign income tax incurred	\$2,362,911	
Change in net deferred income taxes	(\$141,900)	
Total statutory income taxes	\$2,221,011	

- D. Not applicable.
- E. Not applicable.
- F. Chartered’s is included in a consolidated federal income tax return with its parent company DC Healthcare Systems, Inc. The Company has a written agreement, approved by the Company’s Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Chartered is a wholly owned subsidiary of DC Healthcare Systems, Inc (DCHSI). All outstanding shares of Chartered are owned by the parent company, DCHSI, a holding company domiciled in the District of Columbia. Chartered holds no assets or shares of stock of DCHSI.  
  
DCHSI provides certain items to Chartered under an Administrative Services Agreement, further discussed below in F.
- B In 2008, Chartered paid dividend to its Parent Company, DCHSI in the amount of \$2,100,000. This amount represents an ordinary distribution for \$2,100,000. Paid dividends were approved by DISB.  
  
In accordance with the Management Agreement, during 2008, Chartered paid \$0.00 in management fees to



Notes to Financial Statement

DCHSI.

C. See Item D below

D. Chartered reported the following amounts due from or to related parties originating from activities in the normal course of business for the years ended December 31:

<u>Name</u>	<u>Relationship</u>	<u>Gross Receivable</u>	
		<u>2008</u>	<u>2007</u>
RapidTrans	Affiliate	1,328	136,771
Chartered Family Health Center, P.C.	Affiliate	43,215	493,412
DC HealthCare Systems, Inc.	Parent	1,189,078	935,918
		<u>\$ 1,233,621</u>	<u>\$ 1,566,101</u>

E. None.

F. Consulting Agreement

On May 18, 2000, Chartered entered into an agreement with DCHSI for technical and professional consulting services in connection with the HMO business and healthcare insurance business of Chartered. In exchange for these services received from DCHSI, Chartered is obligated to pay fees to DCHSI not to exceed \$825,000 each calendar year of the agreement. During 2001, the board of directors increased the fee to a contract ceiling of \$1.8 million, as a result of DCHSI’s increased involvement in the management of Chartered. The term of the consulting agreement is three years and can be terminated by DCHSI at any time. Chartered recorded consulting expenses of \$0.00 and \$1,350,000 under the terms of this agreement for the years ended December 31, 2008 and 2007, respectively.

Office Lease Agreement

On August 8, 2003, Chartered entered into a lease agreement for office space at 1025 15th Street NW, Washington, DC to house its headquarters in a building owned by DC Healthcare Systems. The lease is a triple net lease for approximately 32,660 square feet of space at \$25 per square foot. It has a term of 10 years at an annual payment rate of \$816,500, plus a 2.5% annual increase on the base rent. The lease commences July 1, 2004.

G. Chartered is a wholly owned subsidiary of DCHSI. RapidTrans and the Health Center are affiliated Companies.

H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.

I. Investment in SCA: Not Applicable

J. Investment in impaired SCA: Not Applicable

K. Investment in Foreign Insurance Subsidiary – None

L. Investments in Downstream Noninsurance Holding Company - None

11. Debt

A -B. Chartered has no capital note obligations.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and

Notes to Financial Statement

Other Postretirement Benefit Plans

Chartered adopted a 401(k) plan for its employees in April 2000. Employees are eligible to participate in the Plan if they are at least 21 years of age and have worked 90 days or longer at Chartered. Employees may contribute a certain percentage of eligible salary on a pre-tax basis. In 2004, Chartered decided to offer its employees a matching contribution up to 12% of each employee 401K 2004 annual contribution.

- |  |                 |
|--|-----------------|
| A. Defined Benefit Plan  | Not applicable. |
| B. Defined Contribution Plan                                       | Not applicable  |
| C. Multi-employer Plans  | Not applicable  |
| D. Consolidated/Holding Company Plans                              | Not applicable  |
| E. Post-employment benefits and compensated absences               | Not Applicable  |
| F. Impact of Medicare Modernization Act of Postretirement Benefits | Not Applicable  |

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- (1) Chartered has 1,000 shares of common stock issued and outstanding at December 31, 2006 with a par value of \$0.10 each.
- (2) Chartered has not issued any preferred stock.
- (3) Chartered has no dividend restrictions other than imposed by statute.
- (4) DCCHP is permitted by statute to make a dividend distribution without prior notification or approval of the Department or Mayor as long as it is not considered an extraordinary dividend. An extraordinary dividend pursuant to the DISB and the District of Columbia Insurance Code (DC ST § 31-706) may be made but will require prior approval.

Based on the 2007 Annual Statement dividends paid during 2008 do not rise to an extraordinary dividend level to the extent it does not exceed \$2,161,976.

In 2008, Chartered paid dividend to its Parent Company, DCHSI in the amount of \$2,100,000. This amount represents an ordinary distribution for \$2,100,000 that was paid on December 24, 2008. Paid dividends were approved by DISB.

- (5) There are no restrictions placed on Chartered’s surplus.
- (6) Chartered has no advances of surplus not repaid or does Chartered hold stock of affiliated companies for specific reasons.
- (7) Chartered has no stock held for special purposes.
- (8) Chartered had no changes in the balance of special surplus funds from the prior year.
- (9) Unassigned funds (surplus) were reduced in as follows:

i. Unrealized gains and losses:	\$	0
ii. Non-admitted asset values:	\$	7,881,886
iii. Separate account business:	\$	0
iv. Asset valuation reserves	\$	0
v. Provision for reinsurance:	\$	0

- (10) Chartered did and does have any surplus notes issued or outstanding as of December 31, 2008.

Notes to Financial Statement

(11) No quasi-reorganizations have taken place as of December 31, 2008.

(12) No quasi-reorganizations have taken place as of December 31, 2008.

14. Contingencies

None

15. Leases

A. Lessee Operating Lease

- (1) Chartered is obligated under several non-cancelable operating leases for office space and office equipment. Total rent expense was \$979,084 and \$914,761 and for the years ended December 31,2008 and 2007, respectively.
- (2) At January 1 2009, the minimum aggregate rental commitments are as follows:

2009	912,533
2010	935,347
2011	958,730
2012	982,698
2013	1,007,266
2014	509,851
2015	-
Thereafter	-0-

The Company is not involved in any material sales-leaseback transactions

B. Lessor Leases Not Applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

On April 9, 2001, Chartered entered into an agreement with Greater Southeast Community Hospital Corporation (GSCHC) to provide administrative services to the DC Department of Health (DOH) as a subcontractor to GHSCS. GHSCS was selected by the District of Columbia to develop and implement a program to provide comprehensive, integrated, and coordinated health care services for the uninsured population of the District of Columbia. Under the terms of the agreement, Chartered is expected to maintain and administer a network of healthcare providers, provide for the enrollment of eligible individuals in the program, provide general administrative services including claims administration, and provide quality and utilization management services for the program.

The agreement also provides for a network service fee to be paid to Chartered based on the profits from certain categories of healthcare services, including ambulatory surgery, other outpatient hospital visits, community clinic services, physician services, and dental services. The effective date of the agreement is June 1, 2001. The agreement extends through May 31, 2006 and may be terminated at any time upon mutual consent of the

Notes to Financial Statement

parties. The agreement also allows for an automatic renewal period of two additional two-year terms, unless the parties terminate the agreement in writing 180 days prior to the expiration of each renewal date.

On May 2, 2003, Modification No. 8 to the Agreement between the District of Columbia, Financial Responsibility and Management Assistance Authority and GSCHC was approved by the District of Columbia City Council. This Modification effectively removed GSCHC from its role as prime contractor and assigned their responsibilities to the Department of Health (DOH). Chartered sub-contract was assigned to DOH from GSCHC. Chartered direct responsibilities to DOH increased in the areas of task order requisition funding, establishing and maintaining an Alliance bank account and data analysis and reporting.

This ASO agreement expired on May 31, 2006, the pre-tax income (loss) from this program for the year ended December 31, 2008 was \$0.00.

The gain from operations from ASO the uninsured plan was as follows:

	<u>AMOUNT</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 0.00
b. Total net other income or expenses (including interest paid to or received from plans)	-0-
c. Net gain or (loss) from operations	\$0.00
d. Total Claim Payment Volume	-

On June 1, 2006, the uninsured program was shifted from an ASO program to a risk program by DOH. Chartered was one of 2 Health Plans that participated with this program. For the 12 months ending 12/31/08, Chartered provided at-risk coverage to 255,820 member months that resulted in additional revenue of \$ 51.2 million.

B. The Company had no ASC or Uninsured Governmental Plans

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

- A. Extraordinary Items – Not Applicable
- B. Troubled Debt Restructuring: Debtors – Not Applicable
- C. Other Disclosures – Not Applicable
- D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, , Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, retrospectively Rated Contracts. – Not Applicable
- E. Business Interruption Insurance Recoveries – Not Applicable
- F. State Transferable Tax Credits – Not Applicable
- G. A reporting entity should disclose the aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code – Not Applicable
- H. Hybrid Securities – Not Applicable
- I. Sub-prime Loans – Not applicable

Notes to Financial Statement

21. Events Subsequent -None

22. Reinsurance

- A. Reinsurance Ceded - None
- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance - None

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Chartered writes no retrospectively rated contracts.

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has increased by \$ 1,074,265 from \$20.8 million in 2007 to \$21.9 in 2008 as a result of re-estimation of unpaid claims and claim adjustment expenses solely on Managed Medicaid and increased membership in that program. .

25. Intercompany Pooling Arrangements

Not Applicable.

26. Structured Settlements

Not applicable for Health entities.

27. Health Care Receivables

A. Pharmacy Rebate Receivable:

The Company recorded \$353,916 of non-admitted Health Care Receivables. \$111,000 was for pharmacy rebates and \$ 242,916 of advances to providers.

B. Risk Sharing Receivables

Not Applicable.

28. Participating Policies

Not Applicable.

29. Premium Deficiency Reserves

As of 12/31/08, the Company did not have any liability related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

30. Anticipated Salvage and Subrogation

Chartered’s subrogation recoveries have historically been immaterial, as a result of the population served. Plan members are almost entirely TANF recipients eligible only for Medicaid health coverage. Recoveries typically result from non-routine healthcare matters, such as auto accidents. During the years ended December 31, 2008 and 2007, Chartered recorded the following subrogation recoveries as reductions in medical costs:

**Notes to Financial Statement**

<b>Line of Business</b>	<b>2008</b>	<b>2007</b>
Medicaid	\$0	\$0
Commercial	\$0	\$0
Total	\$0	\$0

Chartered reduces its loss reserves for anticipated subrogation recoveries.

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]  
Dist. of Columbia
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/19/2003
- 3.4 By what department or departments?  
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE AND SECURITIES REGULATION
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[ ] N/A[ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG, 1660 INTERNATIONAL DRIVE, MCLEAN, VA
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
INGENIX CONSULTING, 12125 TECHNOLOGY DRIVE, EDEN PRAIRIE, MN
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved

0
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[ ] N/A[X]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[ ] No[ ] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:

13.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
- BOARD OF DIRECTORS
14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[ ]

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[ ]
- FINANCIAL
17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[ ] No[X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers

\$ ..... 0

18.12 To stockholders not officers

\$ ..... 0

18.13 Trustees, supreme or grand (Fraternal only)

\$ ..... 0

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21 To directors or other officers

\$ ..... 0

18.22 To stockholders not officers

\$ ..... 0

18.23 Trustees, supreme or grand (Fraternal only)

\$ ..... 0

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Rented from others

\$ ..... 0

19.22 Borrowed from others

\$ ..... 0

19.23 Leased from others

\$ ..... 0

19.24 Other

\$ ..... 0

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]

20.2 If answer is yes:

20.21 Amount paid as losses or risk adjustment

\$ ..... 0

20.22 Amount paid as expenses

\$ ..... 0

20.23 Other amounts paid

\$ ..... 0

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[ ]

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ ..... 300,000
- INVESTMENT
- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)

Yes[X] No[ ]

22.2 If no, give full and complete information, relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)

22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[ ] No[ ] N/A[X]

22.5 If answer to 22.4 is YES, report amount of collateral

\$ ..... 0

22.6 If answer to 22.4 is NO, report amount of collateral

\$ ..... 0

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Subject to repurchase agreements

\$ ..... 0

23.22 Subject to reverse repurchase agreements

\$ ..... 0

23.23 Subject to dollar repurchase agreements

\$ ..... 0

23.24 Subject to reverse dollar repurchase agreements

\$ ..... 0

23.25 Pledged as collateral

\$ ..... 13,252,866

23.26 Placed under option agreements

\$ ..... 0

23.27 Letter stock or securities restricted as to sale

\$ ..... 0

23.28 On deposit with state or other regulatory body

\$ ..... 2,418,701

23.29 Other

\$ ..... 0

23.3 For category (23.27) provide the following:
- | 1                     | 2           | 3      |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| .....                 | .....       | .....  |
- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]

If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[ ] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year.

\$ ..... 0

26.1



GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[ ]

1 Name of Custodian(s)	2 Custodian's Address
CARDINAL BANK .....	8270 GREENSBORO DR. STE 500, MCLEAN, VA 22102 .....
URBAN TRUST BANK .....	1350 I St. NW , WASHINGTON, DC 20005 .....

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- 26.04 If yes, give full and complete information relating thereto:
- Yes[ ] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....	.....	.....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 27.2 If yes, complete the following schedule:
- Yes[ ] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total .....	.....	.....

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1  Name of Mutual Fund (from above table)	2  Name of Significant Holding of the Mutual Fund	3  Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4  Date of Valuation
.....	.....	.....	.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	.....	.....	.....
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	.....	.....	.....

- 28.4 Describe the sources of methods utilized in determining the fair values

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 29.2 If no, list exceptions:
- Yes[X] No[ ]

OTHER

- 30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.
- \$..... 0

**GENERAL INTERROGATORIES (Continued)**

1	2
Name	Amount Paid
.....	.....

31.1 Amount of payments for legal expenses, if any?

31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$..... 1,156,867

1	2
Name	Amount Paid
DICKSTEIN SHAPIRO LLP .....	..... 341,937

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

\$..... 0

1	2
Name	Amount Paid
.....	.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[ ] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ ..... 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ ..... 0

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ ..... 0

1.62 Total incurred claims

\$ ..... 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 Total premium earned

\$ ..... 0

1.65 Total incurred claims

\$ ..... 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ ..... 0

1.72 Total incurred claims

\$ ..... 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ ..... 0

1.75 Total incurred claims

\$ ..... 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	..... 180,992,061	..... 165,103,707
2.2	Premium Denominator .....	..... 180,992,061	..... 165,103,707
2.3	Premium Ratio (2.1 / 2.2) .....	..... 1.000	..... 1.000
2.4	Reserve Numerator .....	..... 21,254,321	..... 20,181,467
2.5	Reserve Denominator .....	..... 21,254,321	..... 20,181,467
2.6	Reserve Ratio (2.4 / 2.5) .....	..... 1.000	..... 1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[ ] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[ ]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[ ] No[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ ..... 750,000

5.32 Medical Only

\$ ..... 0

5.33 Medicare Supplement

\$ ..... 0

5.34 Dental & Vision

\$ ..... 0

5.35 Other Limited Benefit Plan

\$ ..... 0

5.36 Other

\$ ..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

PROVIDERS' AGREEMENT CONTAINS HOLD HARMLESS CLAUSE. DC CHARTERED HEALTH PLAN HAS ACQUIRED INSOLVENCY PROTECTION AS PART OF THE STOP LOSS INSURANCE COVERAGE

7.1 Does the reporting entity set up its claim liability for provider services on a service date base?

Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 3,009

8.2 Number of providers at end of reporting year

..... 3,335

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[ ] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[ ] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ ..... 0

10.22 Amount actually paid for year bonuses

\$ ..... 0

10.23 Maximum amount payable withholds

\$ ..... 0

10.24 Amount actually paid for year withholds

\$ ..... 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[ ] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[ ] No[X]

11.14 A Mixed Model (combination of above)?

Yes[ ] No[X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[ ]

11.3 If yes, show the name of the state requiring such net worth.

DISTRICT OF COLUMBIA

11.4 If yes, show the amount required.

\$ ..... 3,619,841

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[ ] No[X]

11.6 If the amount is calculated, show the calculation.

Greater of \$1,000,000.00 or 2% of 2008 Revenue of \$180,992,061 \$180,992,061 x .02= \$ 3,619,841.22

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
DISTRICT OF COLUMBIA .....

FIVE-YEAR HISTORICAL DATA

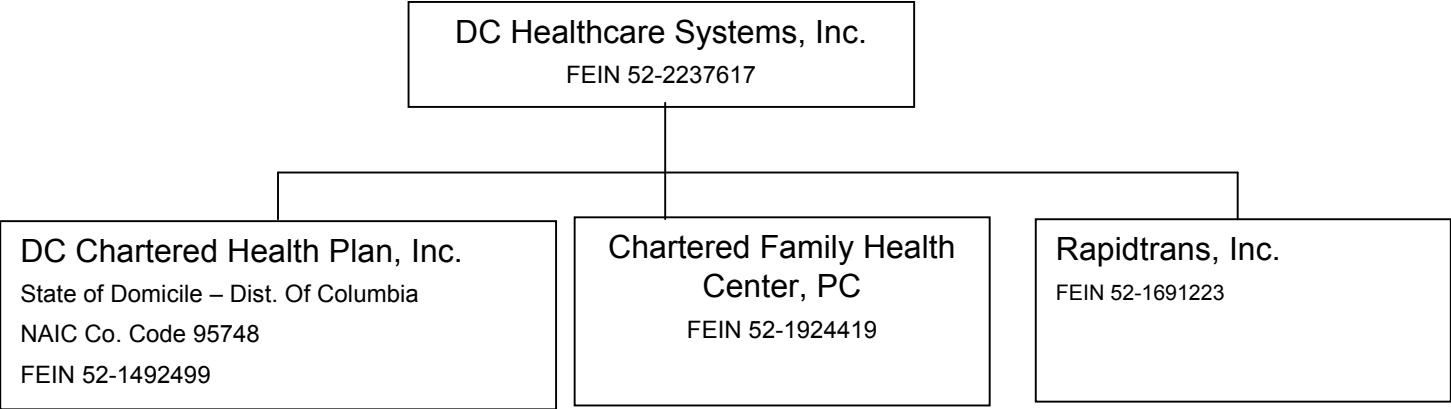
	1 2008	2 2007	3 2006	4 2005	5 2004
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26) .....	44,409,523	44,505,463	43,031,909	32,926,002	27,136,913
2. Total liabilities (Page 3, Line 22) .....	24,685,162	22,885,701	22,805,191	17,560,635	15,768,330
3. Statutory surplus .....	3,619,841	3,302,074	2,623,958	1,973,625	1,783,884
4. Total capital and surplus (Page 3, Line 31) .....	19,724,361	21,619,762	20,226,717	15,365,367	11,368,584
<b>INCOME STATEMENT (Page 4)</b>					
5. Total revenues (Line 8) .....	180,992,061	165,103,707	131,197,889	98,681,260	89,326,246
6. Total medical and hospital expenses (Line 18) .....	151,767,551	135,902,539	107,642,021	79,881,066	72,674,517
7. Claims adjustment expenses (Line 20) .....	4,729,811	5,016,191	4,874,008	3,146,021	2,296,891
8. Total administrative expenses (Line 21) .....	19,269,063	18,170,487	12,195,523	11,191,141	9,511,615
9. Net underwriting gain (loss) (Line 24) .....	5,225,636	6,014,489	6,486,337	4,463,032	4,843,222
10. Net investment gain (loss) (Line 27) .....	1,330,369	2,153,488	1,834,191	1,131,944	620,545
11. Total other income (Lines 28 plus 29) .....		176,672	495,090		(18,404)
12. Net income or (loss) (Line 32) .....	4,193,095	5,464,239	6,005,007	3,633,950	2,350,712
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	6,328,608	5,352,291	4,971,071	4,468,762	3,505,276
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. Total adjusted capital .....	19,724,361	21,619,762	20,226,717	15,365,367	11,368,584
15. Authorized control level risk-based capital .....	6,279,783	5,544,578	4,377,760	3,212,470	2,923,190
<b>ENROLLMENT (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	80,923	63,309	59,460	38,578	38,412
17. Total members months (Column 6, Line 7) .....	846,705	743,648	593,006	461,283	445,526
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	83.9	82.3	82.0	80.9	
20. Cost containment expenses .....	1.9	2.4	2.5	1.5	1.7
21. Other claims adjustment expenses .....	0.7	0.6	1.2	1.7	0.8
22. Total underwriting deductions (Line 23) .....	97.1	96.4	95.1	95.5	94.6
23. Total underwriting gain (loss) (Line 24) .....	3	4	5	5	5
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5) .....	15,593,835	17,126,968	11,924,254	11,826,662	10,193,345
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	20,181,467	19,695,242	13,420,898	12,846,172	9,903,698
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL) .....	N								
2.	Alaska (AK) .....	N								
3.	Arizona (AZ) .....	N								
4.	Arkansas (AR) .....	N								
5.	California (CA) .....	N								
6.	Colorado (CO) .....	N								
7.	Connecticut (CT) .....	N								
8.	Delaware (DE) .....	N								
9.	District of Columbia (DC) .....	L	51,234,168		130,803,455				182,037,623	
10.	Florida (FL) .....	N								
11.	Georgia (GA) .....	N								
12.	Hawaii (HI) .....	N								
13.	Idaho (ID) .....	N								
14.	Illinois (IL) .....	N								
15.	Indiana (IN) .....	N								
16.	Iowa (IA) .....	N								
17.	Kansas (KS) .....	N								
18.	Kentucky (KY) .....	N								
19.	Louisiana (LA) .....	N								
20.	Maine (ME) .....	N								
21.	Maryland (MD) .....	N								
22.	Massachusetts (MA) .....	N								
23.	Michigan (MI) .....	N								
24.	Minnesota (MN) .....	N								
25.	Mississippi (MS) .....	N								
26.	Missouri (MO) .....	N								
27.	Montana (MT) .....	N								
28.	Nebraska (NE) .....	N								
29.	Nevada (NV) .....	N								
30.	New Hampshire (NH) .....	N								
31.	New Jersey (NJ) .....	N								
32.	New Mexico (NM) .....	N								
33.	New York (NY) .....	N								
34.	North Carolina (NC) .....	N								
35.	North Dakota (ND) .....	N								
36.	Ohio (OH) .....	N								
37.	Oklahoma (OK) .....	N								
38.	Oregon (OR) .....	N								
39.	Pennsylvania (PA) .....	N								
40.	Rhode Island (RI) .....	N								
41.	South Carolina (SC) .....	N								
42.	South Dakota (SD) .....	N								
43.	Tennessee (TN) .....	N								
44.	Texas (TX) .....	N								
45.	Utah (UT) .....	N								
46.	Vermont (VT) .....	N								
47.	Virginia (VA) .....	N								
48.	Washington (WA) .....	N								
49.	West Virginia (WV) .....	N								
50.	Wisconsin (WI) .....	N								
51.	Wyoming (WY) .....	N								
52.	American Samoa (AS) .....	N								
53.	Guam (GU) .....	N								
54.	Puerto Rico (PR) .....	N								
55.	U.S. Virgin Islands (VI) .....	N								
56.	Northern Marianas Islands (MP) .....	N								
57.	Canada (CN) .....	N								
58.	Aggregate other alien (OT) .....	X X X								
59.	Subtotal .....	X X X	51,234,168		130,803,455				182,037,623	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X								
61.	TOTAL (Direct Business) .....	(a) ... 1	51,234,168		130,803,455				182,037,623	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X								

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



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